



Date: 12<sup>th</sup> February, 2024

Ref. FEDFINA/ CS/ 48/ 2023-24

|   |   |
|---|---|
| To,<br>National Stock Exchange of India Ltd.,<br>Listing Department<br>Exchange Plaza, C-1, Block G,<br>Bandra Kurla Complex,<br>Bandra (E), Mumbai – 400 051 | To,<br>BSE Limited,<br>The Corporate Relationship Dept.<br>Rotunda Building,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai- 400 001 |
|---|---|

**Re: Scrip Code: 544027, Symbol: FEDFINA**

**Subject: Monitoring Agency Report for the quarter ended 31<sup>st</sup> December, 2023**

Dear Sir/Madam,

Pursuant to Regulation 32(6) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we are enclosing herewith Monitoring Agency Report issued by ICRA Limited, Monitoring Agency, for the quarter ended 31<sup>st</sup> December, 2023 in respect of utilization of proceeds of the IPO of the Company.

Kindly take the same on record.

**For Fedbank Financial Services Limited**

**Rajaraman Sundaresan**  
**Company Secretary & Compliance Officer**  
**Mem. No: F3514**

**Encl : As above**

**Date: February 09, 2024**

Mr. C.V. Ganesh  
Chief Financial Officer  
**Fedbank Financial Services Limited**  
Kanakia Wall Street,  
A wing, 5<sup>th</sup> floor, Unit No. 511, Andheri Kurla Road,  
Andheri (East)  
Mumbai – 400093, Maharashtra

Dear Sir,

**Re: Final Monitoring Agency report of Fedbank Financial Services Limited for Q3 FY2024**

Please refer to agreement dated November 16, 2023, appointing ICRA Limited as the Monitoring Agency (MA) for Fedbank Financial Services Limited's IPO Issue.

After due consideration, ICRA has prepared the attached final Monitoring Agency report as per SEBI (Issue of Capital and Disclosure Requirements) Regulations for Q3 FY2024.

Please note that the Monitoring Agency report does not constitute a commentary on the quality of the objects of the issue, appropriateness or reasonableness of costs or spending by Fedbank Financial Services Limited against any objects / heads or assurance on outcome of such spending.

We thank you for your kind cooperation extended during the course of Q3 FY2024. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to your communication and assure you of our best services.

With kind regards

For ICRA Limited

**PARUL** Digitally signed  
**GOYAL** by PARUL GOYAL  
**NARANG** NARANG  
Date: 2024.02.09  
22:28:29 +05'30'

Parul Goyal Narang  
Vice President & Head- Process Excellence  
Parul.goyal@icraindia.com

## MONITORING AGENCY REPORT

**Name of the Issuer:** Fedbank Financial Services Limited

**For quarter ended:** December 31, 2023

**Name of the Monitoring Agency:** ICRA Limited

**(a) Deviation from the objects of the issue:**

No deviation - The utilization of the issuance proceeds is in line with the objects of the issue.

**(b) Range of deviation:**

*Not Applicable*

**Declaration:**

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013. The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit related analyses. We confirm that we do not perceive any conflict of interest in such relationship/ interest while monitoring and reporting the utilization of the issue proceeds by the issuer. We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

**Signature:**

PARUL  
GOYAL  
NARANG

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by PARUL GOYAL  
NARANG  
Date: 2024.02.09  
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Parul Goyal Narang

Vice President & Head-Process Excellence

Analyst: Adrita Sadhukhan/Dhwani Vinchhi

QA: Parul Narang

**1. Issuer Details****Name of the Issuer:** Fedbank Financial Services Limited**Name(s) of the promoters:**

| Promoters   |
|---|
| <i>The Federal Bank Limited</i>   |
| <i>Mr. Shyam Srinivasan Jointly with The Federal Bank Ltd</i>               |
| <i>Mr. Ashutosh Khajuria Jointly with The Federal Bank Ltd</i>              |
| <i>Mr. Ajith Kumar K K Jointly with The Federal Bank Ltd</i>                |
| <i>Mr. Lakshmanan Venkateswaran Jointly with The Federal Bank Ltd</i>       |
| <i>Mrs. Shalini Warriar Jointly with The Federal Bank Ltd</i>               |
| <i>Mr. Divakar Dixit Jointly with The Federal Bank Ltd</i>                  |
| <i>Mr. Sreekanth I V Jointly with The Federal Bank Ltd</i>                  |
| <i>Mr. Samir Pravinchandra Rajdev jointly with The Federal Bank Limited</i> |

Source: BSE

**Industry/ sector to which it belongs:** Non-Banking Financial Company (NBFC)**2. Issue Details****Issue Period:** Opening date- November 22, 2023

Closing date- November 24, 2023

**Type of Issue:** Initial Public Offer**Type of specified securities:** Equity shares**IPO Grading, if any:** No credit rating agency registered with SEBI has been appointed in respect of obtaining grading for the offer.**Issue Size (Rs. Crore): 1,092.264 Crore**

With OFS portion: 1,092.264 Crore; Excluding OFS portion: INR 600.000 Crore.

Net proceeds: 573.910 (Excluding Issue Related Expenses)

**Note:** The Proceeds credited to Net proceeds account stood at INR 565.460 Crore as INR 8.450 Crore is lying in Public Issue Account.

**3. Details of the arrangement made to ensure the monitoring of issue proceeds.**

| Particulars   | Reply                 | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Comments of the Monitoring Agency          | Comments of the Issuer's Board of Directors |
|---|-----------------------|---|--|---|
| Whether all utilization is as per the disclosures in the Offer Document?  | <b>Yes</b>            | -Confirmation from management<br>-Bank statement of the proceeds account                                | No deviation observed                      | No Comments                                 |
| Whether shareholder approval has been obtained in case of material deviations <sup>#</sup> from expenditures disclosed in the Offer Document? | <b>Not Applicable</b> | As confirmed by the Issuer's management   | No comments                                | No comments                                 |
| Whether the means of finance for the disclosed objects of the issue has changed?  | <b>Not applicable</b> | As confirmed by the Issuer's management   | No deviation observed.                     | No comments                                 |
| Is there any major deviation observed over the earlier monitoring agency reports?   | <b>Not Applicable</b> | No deviation observed.  | No comments                                | No comments                                 |
| Whether all Government/ statutory approvals related to the object(s) have been obtained?  | <b>Not Applicable</b> | As confirmed by the Issuer's management   | No comments                                | No comments                                 |
| Whether all arrangements pertaining to technical assistance/ collaboration are in operation?  | <b>Not Applicable</b> | As confirmed by the Issuer's management   | No comments                                | No comments                                 |
| Are there any favorable events improving the viability of these object(s)?  | <b>Not Applicable</b> | As confirmed by the Issuer's management   | As understood from the Issuer's management | No comments                                 |
| Are there any unfavorable events affecting the viability of the object(s)?  | <b>No</b>             | As confirmed by the Issuer's management   | As understood from the Issuer's management | No comments                                 |
| Is there any other relevant information that may materially affect the decision making of the investors?                                      | <b>No</b>             | As confirmed by the Issuer's management   | As understood from the Issuer's management | No comments                                 |

<sup>#</sup> Where material deviation is defined to mean:

(a) Deviation in the objects or purposes for which the funds had been raised.

(b) Deviation in the amount of funds utilized by more than 10% of the amount specified in the offer document.

**4. Details of the object(s) to be monitored.**
**(i) Cost of object(s)**

| S.N.         | Item Head   | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Original cost (as per the offer document)<br>[Rs. Crore] | Revised cost<br>[Rs. Crore] | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors |                           |                                       |
|--------------|---|---|--|-----------------------------|-----------------------------------|---|---------------------------|---------------------------------------|
|              |   |   |  |                             |                                   | Reason for cost revision                    | Proposed financing option | Particulars of firm arrangements made |
| 1            | For augmentation of Company's Tier – I capital base | Prospectus  | 573.910  | Not applicable              | Not applicable                    | N.A.  | N.A.                      | N.A.                                  |
| <b>Total</b> |   |   | <b>573.910</b>   |                             |                                   |   |                           |                                       |

## (ii) Progress in the object(s)

| S.N.         | Item Head*   | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Amount as proposed in the offer document [Rs. Crore] | Amount utilized [Rs. Crore]        |                    |                           | Total unutilized amount [Rs. Crore] | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors |                           |
|--------------|--|---|--|------------------------------------|--------------------|---------------------------|-------------------------------------|-----------------------------------|---|---------------------------|
|              |  |   |  | As at the beginning of the quarter | During the quarter | At the end of the quarter |                                     |                                   | Reasons for idle funds                      | Proposed course of action |
| <b>1</b>     | <i>For augmentation of Company's Tier – I capital base</i> | <i>-Bank statement of the proceeds account</i>  | 573.910  | Nil                                | 290.550            | 290.550                   | 283.360                             | No comments                       | No comments                                 |                           |
| <b>Total</b> |  |   | <b>573.910</b>                                       | <b>Nil</b>                         | <b>290.550</b>     | <b>290.550</b>            | <b>283.360</b>                      |                                   |   |                           |

**(iii) Deployment of unutilized proceeds**

| S.N.         | Type of instrument and name of the entity invested in | Amount invested [Rs. Crore] | Maturity date | Earning [Rs. Crore] | Return on Investment [%] | Market Value as at the end of quarter* [Rs. Crore] |
|--------------|---|-----------------------------|---------------|---------------------|--------------------------|--|
| <b>1</b>     | Karur Vysya Bank                                      | <b>50.000</b>               | 05-01-2024    | 0.031               | 7.55%                    | 50.031   |
| <b>2</b>     | Indian Bank   | <b>26.000</b>               | 02-01-2024    | 0.081               | 6.65%                    | 26.081   |
| <b>3</b>     | Indian Bank   | <b>39.000</b>               | 03-01-2024    | 0.114               | 6.65%                    | 39.114   |
| <b>4</b>     | Indian Overseas bank                                  | <b>10.000</b>               | 01-01-2024    | 0.046               | 7.05%                    | 10.046   |
| <b>5</b>     | Indian Overseas bank                                  | <b>100.000</b>              | 31-01-2024    | 0.620               | 7.30%                    | 100.620  |
| <b>6</b>     | Catholic Syrian Bank                                  | <b>25.000</b>               | 15-01-2024    | 0.149               | 7.00%                    | 25.149   |
| <b>7</b>     | Canara Bank   | <b>25.000</b>               | 05-01-2024    | 0.013               | 6.50%                    | 25.013   |
| <b>8.</b>    | Balance lying in Public Issue account                 | <b>8.450</b>                | -             | -                   | -                        | 8.450  |
| <b>Total</b> |   | <b>283.450*</b>             |               | <b>1.054</b>        |                          | <b>284.504</b>                                     |

\*includes INR 0.09 Crore pertaining to interest income on FDs.

**Note:** As independently verified by ICRA from the bank statements and FD account statements provided by the management

## (iv) Delay in the implementation of the object(s)

| Object(s)   | Completion date           |                     | Delay<br>[Number of days or months] | Comments of the Issuer's Board of Directors |                           |
|---|---------------------------|---------------------|-------------------------------------|---|---------------------------|
|   | As per the offer document | Actual <sup>^</sup> |                                     | Reason for delay                            | Proposed course of action |
| For augmentation of Company's Tier – I capital base | FY24 - FY25               | On Schedule         | N.A.                                | No Comments                                 | No Comments               |

Source: As confirmed by the Issuer's management

<sup>^</sup>Refers to the latest estimate of the completion date

## 5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

| S.N.           | Item Head | Amount<br>[Rs. Crore] | Source of information, certifications considered by the Monitoring Agency for the preparation of report | Comments of the Monitoring Agency | Comments of the Issuer's Board of Directors |
|----------------|-----------|-----------------------|---|-----------------------------------|---|
| Not applicable |           |                       |   |                                   |   |